

Drought Rates – Option #4
Residential Fixed Fee Recovered Through Tiered Fixed Fee
Other Retail Recovered through Additional Meter Charge Fixed Fee

Consumption Actuals & Projections

| | Residential | Multifamily | Commercial | Large Volume | Wholesale | Total |
|----------------|----------------|---------------|----------------|---------------|---------------|----------------|
| FY 2012 Actual | 17,431,213,200 | 8,895,782,300 | 11,195,672,800 | 3,264,408,800 | 3,160,967,200 | 43,948,044,300 |
| FY 2013 Actual | 16,073,471,800 | 8,859,680,000 | 10,899,105,500 | 3,073,014,900 | 2,968,615,800 | 41,873,888,000 |
| FY 2014 Budget | 17,843,182,000 | 8,347,970,900 | 11,251,200,200 | 3,131,573,800 | 3,105,246,300 | 43,679,173,200 |

FY 2014 Forecast Model Volumes

| | Residential | Multifamily | Commercial | Large Volume | Wholesale | Total |
|--------------------|----------------|---------------|----------------|---------------|---------------|----------------|
| Conservation Stage | 17,238,825,400 | 9,126,726,000 | 11,484,041,100 | 3,313,839,719 | 2,947,515,207 | 44,110,947,426 |
| Stage 1 | 16,488,980,000 | 8,959,815,700 | 11,216,518,200 | 3,297,510,830 | 2,905,201,863 | 42,868,026,593 |
| Stage 2 | 14,989,877,400 | 8,625,983,700 | 10,681,351,900 | 3,264,871,842 | 2,820,593,289 | 40,382,678,131 |
| Stage 3 | 13,770,964,900 | 7,290,700,700 | 8,540,810,300 | 3,134,259,522 | 2,693,653,257 | 35,430,388,679 |
| Stage 4 | 11,146,411,600 | 5,788,484,900 | 6,132,698,600 | 2,987,355,893 | 2,312,887,503 | 28,367,838,496 |

FY 2014 Forecast Model Revenue

| | Residential | Multifamily | Commercial | Large Volume | Wholesale | Total |
|--------------------|----------------|---------------|---------------|---------------|---------------|----------------|
| FY 2014 Budget | \$ 121,162,717 | \$ 45,440,867 | \$ 73,994,393 | \$ 16,738,535 | \$ 13,343,375 | \$ 270,679,887 |
| Conservation Stage | \$ 117,416,275 | \$ 49,276,515 | \$ 75,161,375 | \$ 17,332,497 | \$ 12,731,721 | \$ 271,918,382 |
| Stage 1 | \$ 110,475,347 | \$ 48,511,350 | \$ 73,650,738 | \$ 17,253,561 | \$ 12,568,360 | \$ 262,459,355 |
| Stage 2 | \$ 97,171,606 | \$ 46,980,970 | \$ 70,602,915 | \$ 17,095,784 | \$ 12,241,726 | \$ 244,093,000 |
| Stage 3 | \$ 87,038,194 | \$ 40,859,648 | \$ 58,541,715 | \$ 16,464,398 | \$ 11,751,671 | \$ 214,655,625 |
| Stage 4 | \$ 67,870,056 | \$ 33,973,058 | \$ 44,854,594 | \$ 15,754,262 | \$ 10,281,699 | \$ 172,733,668 |

FY 2014 Forecast Model Revenue Variance

| | Residential | Multifamily | Commercial | Large Volume | Wholesale | Total |
|--------------------|-----------------|----------------|-----------------|--------------|----------------|-----------------|
| Conservation Stage | | | | | | |
| Stage 1 | \$ (6,940,928) | \$ (765,165) | \$ (1,510,637) | \$ (78,936) | \$ (163,361) | \$ (9,459,027) |
| Stage 2 | \$ (13,303,741) | \$ (1,530,380) | \$ (3,047,823) | \$ (157,777) | \$ (326,634) | \$ (18,366,355) |
| Stage 3 | \$ (10,133,412) | \$ (6,121,322) | \$ (12,061,200) | \$ (631,386) | \$ (490,055) | \$ (29,437,375) |
| Stage 4 | \$ (19,168,138) | \$ (6,886,590) | \$ (13,687,121) | \$ (710,136) | \$ (1,469,972) | \$ (41,921,957) |

**FY 2014 Forecast Drought Fixed Rate
Stage 3**

| Residential | | | |
|--------------------|------------------|---------------------|--------------|
| Residential Tiered | Current Proposed | Additional Proposed | Total Tiered |
| Block 1 | \$2.20 | \$1.00 | \$3.20 |
| Block 2 | 5.00 | 3.00 | 8.00 |
| Block 3 | 8.24 | 5.00 | 13.24 |
| Block 4 | 12.60 | 12.60 | 25.20 |
| Block 5 | 12.60 | 12.60 | 25.20 |

| Other Retail | | | | | | | | | | | |
|--------------|---------|---------|---------|---------|---------|----------|----------|----------|----------|------------|------------|
| | 5/8" | 3/4" | 1" | 1 1/2" | 2" | 3" | 4" | 6" | 8" | 10" | 12" |
| Multifamily | \$10.55 | \$16.31 | \$26.10 | \$53.29 | \$84.84 | \$168.58 | \$264.29 | \$527.50 | \$844.00 | \$1,213.79 | \$1,793.50 |
| Commercial | 11.19 | 16.43 | 27.93 | 55.87 | 88.73 | 179.11 | 279.34 | 560.32 | 895.53 | 1,286.60 | 1,902.79 |

Large Volume Additional Monthly Fixed Charge

| | |
|---------------------------|-----------------|
| Hospira | \$1,537 |
| Spansion | 5,528 |
| Freescale | 9,861 |
| Samsung | 26,235 |
| Novati | 1,069 |
| Univ. of Texas | 8,385 |
| Total Large Volume | \$52,615 |

Projected Revenue by Class with Fixed Charge Recovery

| | Residential | Multifamily | Commercial | Large Volume | Wholesale | Total |
|---------|---------------|--------------|---------------|--------------|------------|---------------|
| | \$ 10,132,516 | \$ 6,124,971 | \$ 12,062,790 | \$ 631,380 | \$ 490,055 | \$ 29,441,712 |
| Block 1 | 295,546 | | | | | |
| Block 2 | 3,103,147 | | | | | |
| Block 3 | 3,074,310 | | | | | |
| Block 4 | 2,648,032 | | | | | |
| Block 5 | 1,011,481 | | | | | |

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**FY 2014 Forecast Drought Fixed Rate
 Stage 4**

| Residential | | | |
|---------------------------|-------------------------|----------------------------|---------------------|
| Residential Tiered | Current Proposed | Additional Proposed | Total Tiered |
| Block 1 | \$2.20 | \$4.40 | \$6.60 |
| Block 2 | 5.00 | 10.20 | 15.20 |
| Block 3 | 8.24 | 22.50 | 30.74 |
| Block 4 | 12.60 | 35.00 | 47.60 |
| Block 5 | 12.60 | 35.00 | 47.60 |

| Other Retail | | | | | | | | | | | |
|---------------------|-------------|-------------|-----------|---------------|-----------|-----------|-----------|------------|------------|------------|------------|
| | 5/8" | 3/4" | 1" | 1 1/2" | 2" | 3" | 4" | 6" | 8" | 10" | 12" |
| Multifamily | \$22.44 | \$34.70 | \$55.52 | \$113.36 | \$180.45 | \$358.58 | \$562.16 | \$1,122.00 | \$1,795.20 | \$2,581.76 | \$3,814.80 |
| Commercial | 23.93 | 35.14 | 59.74 | 119.47 | 189.75 | 383.02 | 597.37 | 1,198.26 | 1,915.10 | 2,751.42 | 4,069.15 |

| Large Volume Additional Monthly Fixed Charge | |
|---|------------------|
| Hospira | \$3,266 |
| Spancion | 11,745 |
| Freescale | 20,952 |
| Samsung | 55,743 |
| Novati | 2,272 |
| Univ. of Texas | 17,816 |
| Total Large Volume | \$111,794 |

| Projected Revenue by Class with Fixed Rate Recovery | | | | | | |
|--|--------------------|--------------------|-------------------|---------------------|------------------|---------------|
| | Residential | Multifamily | Commercial | Large Volume | Wholesale | Total |
| Stage 4 | \$ 29,305,090 | \$ 13,012,086 | \$ 25,752,601 | \$ 1,341,528 | \$ 1,960,027 | \$ 71,371,332 |
| Block 1 | 1,574,092 | | | | | |
| Block 2 | 13,059,972 | | | | | |
| Block 3 | 11,209,194 | | | | | |
| Block 4 | 2,742,962 | | | | | |
| Block 5 | 718,869 | | | | | |